

Housing Authority - County of Los Angeles

July 7, 2009

To: Each Supervisor

From: Sean Rogan, Executive Director



**SUBJECT: CORRECTIVE ACTION PLAN FOR SECTION 8 PROGRAM ANNUAL
RECERTIFICATIONS / REEXAMINATIONS**

PURPOSE OF THIS REPORT

On April 6, 2009, your Board directed the Acting Executive Director of the Housing Authority to provide the Board with monthly reports on the status of eliminating the annual recertification backlog for the Housing Choice Voucher (Section 8) Program; within 90 days, identify a Corrective Action Plan that identifies a systematic approach to the annual recertification process, insuring that future backlogs are not created; and upon completion of the recertification backlog by McKay Management Services, provide the Board with a recommendation on how best to perform annual recertifications, whether to utilize internal staff, an outside consultant, or a combination thereof.

In response to your directive, I am submitting our accomplishments over the last 90-days and a Corrective Action Plan which incorporates multiple strategies to holistically address timely completion of the Section 8 Program annual recertifications.

- The strategies have been developed in consultation with Housing Authority staff, HUD, McKay Management services and the Executive Director.

ACCOMPLISHMENTS WITHIN THE LAST 90 DAYS

- As of June 30, 2009, the Housing Authority completed 99.76% of the annual recertifications for Fiscal Year 2008-09. The remaining 198 outstanding recertifications consist of 164 clients in the termination process, predominately due to failure to provide proper documentation and failure to respond to multiple requests for this documentation. In addition, 34 senior and/or disabled participants also face termination; however, we are making one final attempt to assist them in completing their recertifications. This includes personal visits to their homes to assist in completing the required forms.

We have completed and/or are in the process of implementing the following:

- Worked with McKay Management Services (MMS) to complete June, July, August and September annual recertifications
- Created the Annual Recertification Status Report for daily tracking
- Revised the mailing schedule to send out Annual Recertification packets 105 days before effective date
- Reviewed the monthly recertification participant list to delete unnecessary Annual Recertifications prior to mailing
- Re-distributed case loads and realigned staff resources in the Contract Maintenance Department to better perform recertifications
- Drafted new Performance Plans for case managers to align duties and responsibilities for production and performance
- Reviewed and modified case manager job classification and initiated recruitment process for additional case managers
- Create and monitor an online inspections dashboard to report real time data for key SEMAP performance indicators (determines troubled, standard or high performer status)
- Implemented additional safeguards to the Yardi system to reduce landlord overpayments

CORRECTIVE ACTION PLAN (CAP)

The following proposed strategies are a collaboration of recommendations from McKay Management Services (MMS), the Executive Director and Assisted Housing Division staff. These strategies along with the Housing Authority's current action plan will enable the Section 8 Program to position itself to achieve "High Performer" status under HUD's Section 8 Management Assessment Program (SEMAP) by the end of fiscal year 2012, or sooner. Currently, the Housing Authority is awaiting HUD's response to the strategies submitted in the CAP for FY 06-07 to remove the Section 8 Program from troubled status. We continue to work with HUD to address any and all concerns and are expecting a notice to move the Housing Authority to a standard performer soon.

The recommended strategies include new technology, staff training, appropriate staffing levels and implementing a number of process and procedure changes to reduce the time necessary to complete recertifications. Through these measures we will reduce the time of recertifications from 4 hours to 2.5 hours. Additionally, we will be able to reduce or eliminate over 30,000 hours of overtime that has been required under the past system to complete the nearly 2,000 recertifications a month.

RECOMMENDED STRATEGIES

Although other Program components also affect the recertification process, the Housing Authority intends to address the following areas:

1. Agency Image and Culture
2. Organizational Alignment and Staffing
3. Technology
4. Administrative Plan Changes
5. Program Compliance and Enforcement
6. Contract Services

1. AGENCY IMAGE AND CULTURE

- Promote compliance, transparency, oversight, accountability and customer service
- Develop a Section 8 marketing campaign that describes the program's goal to assist low-income families find affordable, stable, safe and decent housing, while enabling property owners to receive a steady stream of income; re-introduce the program's mission statement and how our policies are designed to align with that mission
- Provide targeted customer service based on client needs, i.e., home visits for the disabled and elderly without computer access and/or unable to leave home, online services for owners, and online services for tenants
- Improve compliance with Federal regulations, Housing Authority policies, procedures, HAP contract and family obligations
- Develop and maintain a technologically proficient workforce through continuous and targeted training
- Provide additional staff training on all aspects of the Section 8 Program to develop capacity, efficiency and effectiveness; outsource the training function for a more comprehensive and varied approach to include desktop training materials

2. ORGANIZATIONAL ALIGNMENT AND STAFFING

- Redistribute staff to align with critical functions: lease-up, inspections, case management and quality control
- Update job descriptions for critical functions
- Examine current and future program needs
- Evaluate the skill sets necessary to perform the essential job functions
- Redesign staff performance plans to align with high performer objectives

- Maintain an open recruitment process to attract a qualified pool of applicants (contract and regular positions)
- Implement a skills assessment (computer and technology) as part of the application process for new staff
- **Hire an additional 21 staff (projected cost \$1,144,500):**
 - Four (4) staff to complete quality control reviews on case files
 - Nine (9) case managers, bringing the total to fifty (50) for the management of the Los Angeles County HCVP; reducing caseloads per case manager to 400. **Note:** this number does not reflect staff assigned to Small Cities and Special Programs
 - Four (4) Housing Quality Inspectors, bringing total to twenty (20); reducing the number of inspections per inspector to 2,050 per year
 - Four (4) Applications/Eligibility staff to bring total to nine (9) to maintain and increase lease up rate

3. TECHNOLOGY

Short-Term (Projected cost: \$500,000)

- Developed an automated program (to be implemented within the next sixty days) for scheduling annual HQS inspections based on Geographical Information Systems (GIS) data and characteristics of housing unit. This system should reduce the number of staff dedicated to scheduling; reduce miles traveled and reduce costs
- Continue developing automation processes that minimize the use of paper documents and mailings
- Through automation, reduce administrative burden on staff to enable a shift to increased customer service and production
- Utilize Yardi to the maximum extent possible or consider technology to augment the system, including:
 - Auto-populating data in application and inspection forms
 - Manipulating data to facilitate linking and/or transferring from one program to another; auto populate forms, as appropriate
 - Creating drop-down menus where choices are required
 - Calculating and validating data
 - Customization of Yardi system to generate reports, and other improvements

- Implement a Rent Calculation Wizard (determination of adjusted income) which will:
 - Scan information filled in Recertification packets to determine next steps and necessary documents to complete Recertification
 - Scan information (wages, family members, etc.) to determine Housing Assistance Payment (HAP), Total Tenant Payment (TTP), etc.
 - Assists in determining Utility Allowances based on geographic location, contract and utility schedule
 - Integrates information with Yardi Voyager data for tenant and unit information, and processing of the 50058-Recertification information to avoid data entry errors
- Create portals on the website for owners and tenants to complete and/or obtain interactive web-based services, including:
 - Housing Quality Standards training materials
 - Application and submission of documents creating a significant reduction in postal mail
 - Facilitating communication with clients, including information on briefings
 - Facilitating multilingual information for Limited English Proficiency compliance
 - Other web-based services, as necessary
 - Case managers, call center staff and management
- Business Intelligence and Dashboard reports real time key SEMAP performance indicators:
 - Point in time dashboards with drill down capability
 - Trend analysis to assist in decision making. For example, terminations will be tracked by the system on a daily, monthly basis to automatically determine the number of applicants that need to be processed to maintain a pre-determined level of lease-up.

TECHNOLOGY

Long-Term

- Invest in Telecommunications and other equipment, including:
 - Procuring a telecommunication system, which provides "relay" messages and interactive data services
 - Integrated copy-machines that print, copy and scan

- Installation of informational kiosks in the visitor lobby, consisting of five (5) public computers; allows clients to perform all web-based activities, including automated submission of documents; and an additional twenty (20) kiosks to be located in various locations throughout the County
- Procure and implement a records management system, which will integrate with workflow processes, eliminate current imaging systems and records storage.

4. ADMINISTRATIVE PLAN CHANGES

- Close the waiting list, to relieve staff of the administrative tasks associated with the application process. (Currently have 160,178 families on the wait list and based upon current attrition rate will not exhaust current list for approximately 31 years). HUD has also recommended that the waiting list be closed. The list is comprised of the following:

In LA County Jurisdiction	45,764
Out of LA County Jurisdiction	114,414

- Review all administrative policies, for continued program efficiencies
- Update Administrative Plan to meet new HUD rules and regulations
- Limit contract rent increases to once a year tied to contract anniversary date
- Propose termination for clients who are not present (or do not arrange for an adult to be present) for the annual unit inspections
- Require clients to reside in current unit for a minimum of two (2) years before they can request a Voucher to relocate to another unit (exceptions will be made for hardships, 90-day notices, etc.)
- Enforce plan which requires landlords to receive payments electronically instead of checks

5. PROGRAM COMPLIANCE AND ENFORCEMENT

- Enforce administrative policies, HAP contract and family obligations
- Complete criminal background checks through law enforcement agency (Sheriff's Department) contract and outside vendor contract, (i.e., NCR)
- Contract with Sheriff's Department to generate reports of crimes committed in Section 8 subsidized units
- Recommend termination for violation of program requirements once sufficient notice has been provided to participants
- Discontinue business with owners who violate program requirements, (i.e., failing to report client move out causing HAP over payments)

- Actively pursue recovery of funds due to fraud through desk reviews; utilizing EIV, LEADER System, Third Party Verification, National Education Clearinghouse and others.

6. CONTRACT SERVICES

- Continue short-term outsourcing for a percentage of recertifications (up to 40% in FY 09-10; 25% in FY 10-11; and 10% in FY 11-12) until additional staff is hired, trained, and proficient; and short and long-term technology solutions are developed and implemented. This balance will be evaluated periodically to ensure a smooth transition.

NEXT STEPS

It is my intention to request Board approval for a supplemental budget to support these recommendations for additional staff, technology and consultant services in September 2009. I will also request Board approval to revise the Administrative Plan for significant changes, subsequent to a public hearing process and in accordance with federal regulations and requirements.

Please let me know if you have questions in this regard.

SR:MB:ML:rl

c: Lari Sheehan, Deputy Chief Executive Officer
Sachi A. Hamai, Executive Officer/Clerk Board of Supervisors
Each Deputy